

BUDGET REVIEW & REALLOCATION

Key Documents:

- **2003-04 Budget and Supporting Documents (incl. Appendix E)**
- **2001-02 CAFR**
- **Latest Monthly Board Secretary's Report (Budget to Actual Status)**

Review and Reallocation Process:

1. Review Surplus Balances and Current Budget-to-Actual Status

- (a) review recap of balances to determine trends in estimating fund balances
- (b) review budget submission under Appendix E and all supporting documentation
 - a. examine supporting board resolutions for appropriation of future amounts; ensure appropriation is necessary for 2002-03 school year and does not include purchases of textbooks or other items and program costs that benefit the next school year
 - b. review most recent board secretary's report and check actual revenues against estimated; identify large encumbrances that may not be liquidated by June 30th; and identify available unencumbered balances to determine how much additional revenue will fall to fund balance
 - c. review CAFR to identify general fund accounts with large variances and review most recent board secretary's report in these same accounts and amounts budgeted in 03-04 to identify trends, if any, of overbudgeting
- (c) review prior year open purchase orders cancelled during the year to determine how much additional unreserved fund balance will be available

2. Review of Budgeted Miscellaneous Revenues

- (a) review amounts budgeted for miscellaneous revenues in 03-04 and compare to most recent board secretary's report and CAFR (details on schedule J-15)
- (b) explanation needed for differences; reallocation if explanation is not reasonable

3. Review of Budgeted other Anticipated Revenues

- (a) review amounts budgeted for (1) tuition revenue, including adjustments; (2) investment income on bond projects that will be transferred to general fund; (3) transportation fees; and (4) other revenues unique to district

- (b) compare to most recent Board Secretary's Report and CAFR
- (c) explanations needed for 03-04 budgeted amounts not in line with actual amounts earned in 00-01 and 01-02 and actuals for 02-03 after annualizing Board Secretary's Report

4. Review of Salaries and Benefits

- (a) analyze basis for budgeted positions and salary amounts; consider breakage for retirement
- (b) analyze teacher salary accounts for 02-03 and 03-04 and compare to most recent Board Secretary's Report to determine if reasonable
- (c) compare new positions to projected enrollment growth and to T&E model
- (d) analyze benefit amounts for each employee; benefit increases are usually on a calendar year, not fiscal year so increase should be for half-year

5. Review of Tuition Expenditures

- (a) compare budgeted amounts on SD6A2 and 6B2 to receiving districts' supporting documentation and private schools for disabled approved tentative rate; compare to prior year's actual expenditures and current year placements per register report
- (b) review IDEA application to ensure same students not funded in both places
- (c) question reasonableness of budgeted amounts for contingency placements

6. Review Food Services Operations (Enterprise Fund)

- (a) review CAFR for food services operations
- (b) question budgeted board contributions to fund if fund shows retained earnings and trend of net profit in two years of CAFR

7. Review Budgeted Equipment Purchases

- (a) review amounts for budgeted capital outlay for equipment and possibility for deferral and/or lease purchase
- (d) compare to CAFR (00-01 and 01-02 actuals) to determine if trend/history in budgeting but not expending equipment purchases

8. Review Budgeted Capital Outlay Projects

- (a) review projects as detailed on SD4 and compare to LRFP to determine if consistent with plan and reasonable
- (b) review to determine if necessary for health and safety reasons or whether there is possibility for deferral; ensure budgeting only local share of such projects
- (c) review capital reserve deposit; consider reallocating amts in excess of health & safety needs

9. Review Narrative Statements/Comparison to T&E Model

- (a) for districts spending above T&E range, review SD1b and determine stability impact, if any, on elimination of items
- (b) compare spending to T&E model using projected on-roll students in advertised enrollments, 03-04 budgeted appropriations, and budgeted positions on SD3
- (c) question need for new positions via comparison to efficiency stds/T&E model